

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF IOWA**

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<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i>,</b>	:	<b>Case No. 23-00623 (TJC)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	

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**SUMMARY OF SECOND MONTHLY FEE APPLICATION OF HBM MANAGEMENT ASSOCIATES LLC AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF PENSIONERS, FOR THE ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED  
FOR THE PERIOD FROM JANUARY 1, 2024 THROUGH JANUARY 28, 2024**

Name of applicant:	<b>HBM MANAGEMENT ASSOCIATES, LLC</b>
Authorized to provide professional services to:	<b>Official Committee of Pensioners</b>
Date of retention:	<b>November 21, 2023</b>
Date of order authorizing retention:	<b>January 18, 2024, Docket No. 665</b>
Period for which compensation and reimbursement is sought:	<b>January 1, 2024 through January 28, 2024</b>
Amount of compensation sought as actual, reasonable and necessary:	<b>\$ 30,804.00</b>
Amount of expense reimbursement sought as actual, reasonable and necessary:	<b>\$ 3,709.45</b>

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF IOWA**

**In re:**

**Chapter 11**

**MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*,**

**Case No. 23-00623 (TJC)**

**Debtors.**

**Jointly Administered**

**SUMMARY OF HBM MANAGEMENT ASSOCIATES LLC APPLICATIONS FOR  
COMPENSATION**

<b>Application</b>	<b>Fees Sought 100%</b>	<b>Expenses Sought</b>	<b>Total</b>	<b>Fees Requested 80%</b>	<b>Total Fees and Expenses Currently Requested</b>	<b>Fees and Expenses Paid to Date</b>
First Interim 11/21/23 — 12/31/23	\$24,225.00	\$1,836.38	\$26,061.38	\$19,380.00	\$21,216.38	\$0.00
Second Interim 01/01/24 — 01/28/24	30,804.00	3,709.45	34,513.45	24,643.20	28,352.65	0.00
<b>Total</b>	<b>\$55,029.00</b>	<b>\$5,545.83</b>	<b>\$60,574.83</b>	<b>\$44,023.20</b>	<b>\$49,569.03</b>	<b>\$0.00</b>

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF IOWA**

-----x	<b>Chapter 11</b>
<b>In re:</b>	:
	:
<b>MERCY HOSPITAL, IOWA CITY, IOWA, et al.,</b>	:
	:
<b>Case No. 23-00623 (TJC)</b>	:
<b>Jointly Administered</b>	:
<b>Debtors.</b>	:
-----x	

**APPLICATION OF HBM MANAGEMENT ASSOCIATES LLC AS FINANCIAL  
ADVISOR TO THE OFFICIAL COMMITTEE OF PENSIONERS, FOR THE SECOND  
INTERIM ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF  
EXPENSES FOR SERVICES RENDERED  
FOR THE PERIOD FROM JANUARY 1, 2024 THROUGH JANUARY 28, 2024**

**I. INTRODUCTION**

HBM Management Associates, LLC (the "Applicant"), pursuant to 11 U.S.C. Section 327(a), hereby requests an Order approving the Applicant's fees and expenses incurred in connection with this case. In support thereof Applicant respectfully represents:

1. Applicant is the Financial Advisor for Official Committee of Pensioners (the "Pensioners' Committee") to in the above-named case and has acted as such since its retention as of November 21, 2023. See **Exhibit A** for the HBM's Retention Order and Retention Application.
2. HBM Management Associates, LLC is Financial Advisory firm specializing in providing crisis management and financial advisory services to Companies operating both within and outside of bankruptcy. HBM's professionals have over 50 years of experience in providing such services to its clients. Applicant submits this Second

Interim Application for Allowance of Compensation and Reimbursement of Expenses (the “Second Interim Application”) for the period from January 1, 2024 through January 28, 2024 (the “Second Interim Compensation Period”).

3. Applicant’s time has been itemized on records which reflect on a day-to-day basis the work performed by each professional or paraprofessional during the period covered by the Second Interim Compensation Period. Copies of the time records are attached as **Exhibit B** and **Exhibit C**
4. Applicant has advanced on behalf of the client certain expenses as shown on **Exhibit D**, which expense advancements were made directly in connection with this case and were necessary in connection with Applicant's services provided to the Pensioners’ Committee.
5. This Second Interim Application includes fees of \$30,804.00 and expense advances of \$3,709.45 totaling \$34,513.45 for the Second Interim Compensation Period. Applicant expended a total of 73.70 hours during the Second Interim Compensation Period which equates to an effective rate of \$417.96 per hour. Applicant requests approval for payment of 80% of the Fees sought totaling \$24,643.20 and 100% of the Expenses sought totaling \$3,709.45. Applicant will seek approval of the 20% Holdback upon final application to the Court. Applicant has previously received and is holding a \$25,000.00 retainer, in accordance with its Retention Agreement. Applicant expects to apply the retainer upon its final application for fees and expenses. Applicant has previously applied for a First Interim Allowance of Compensation and Reimbursement of Expenses as follows:

<b>Application</b>	<b>Fees Sought 100%</b>	<b>Expenses Sought</b>	<b>Total</b>	<b>Fees Requested 80%</b>	<b>Total Fees and Expenses Requested</b>	<b>Fees and Expenses Paid to Date</b>
First Interim 11/21/23 – 12/31/23	\$24,225.00	\$1,836.38	\$26,061.38	\$19,380.00	\$21,216.38	\$0.00

## **II. BACKGROUND**

6. Mercy Hospital Iowa City Iowa is the Plan Sponsor of the Mercy Hospital, Iowa City, Iowa Employees' Pension Plan (the “Plan”). The Plan has approximately 1,035 Participants and is a qualified defined benefit Church Plan, not subject to the Employee Income and Retirement Security Act of 1974 (“ERISA”). As the Plan is not subject to ERISA, it is not covered by the Pension Benefit Guarantee Corporation. Currently, the Plan has approximately \$118 Million in assets available to Plan Participants. As of June 30, 2023, the Plan Benefit Obligations exceeded Plan assets by approximately \$23 million, indicating that the Plan was significantly underfunded.
7. On August 7, 2023, (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Northern District of Iowa (the “Court”) commencing these bankruptcy cases. The Bankruptcy filings presents a material change in circumstances to the Plan as, it is anticipated that as of the Effective Date of any Plan of Liquidation, Mercy Hospital Iowa City Iowa (“Mercy Hospital”) will not be available to be Plan Sponsor, nor will there be any anticipated future funding of the Plan from the Plan Sponsor, and as a result, the Plan may have to amended or modified to ensure Plan Participants can rely on a portion of the benefits they expected to receive as part of their compensation for years of service to Mercy Hospital.

8. On October 18, 2023, counsel for the Mercy Pensioners Ad-Hoc Committee filed a Motion to Establish an Official Committee of Pensioners Under 11 U.S.C. § 1102 (a)(2). A hearing on the Motion was held October 27, 2023, and said Motion was granted November 3, 2023.
9. Effective January 31, 2024, substantially all of the Debtor's Hospital operations and certain assets were sold to the University of Iowa.
10. On February 23, 2024, Mercy Hospital, Iowa City, Iowa and certain of its affiliates and subsidiaries (collectively, the "Debtors") filed the *Debtors' Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation*
11. On March 29, 2024, the Debtors filed the *First Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation*.

### **III. SUMMARY OF SERVICES RENDERED**

12. Services provided to the Pensioners' Committee in this case During the Second Interim Compensation Period have involved working with the Pensioners' Committee and its Counsel to determine the options available to ensure the maximum recovery available to the Plan Participants given the \$23 million underfunded status of the Plan as of June 30, 2023. Applicant also monitored the Debtors' operations, recovery of funds and monetization of assets for the benefit of all stakeholders. **Exhibit B** provides a detail of the hours and fees incurred for the services rendered to the Pensioners' Committee during the Second Interim Compensation Period. Applicant's retention provides for its fees to be capped on a weekly basis at \$17,000.00. **Exhibit C** provides a summary of the hours and fees incurred, with agreed upon reductions, as applicable, for the agreed

upon fee cap. In total, Applicant provided 73.70 hours of time and incurred \$30,804.00 of fees. These services include the following:

**Meetings and Teleconferences with Professionals and Parties in Interest** **25.20 Hours**

- Applicant met multiple times with the Pensioner Committee Members and the Pensioner Committee counsel to apprise of status and discuss long-term Plan options available to maximize recoveries to the Plan Participants. Applicant attended weekly meetings with the Debtors' representative and Financial Advisors for all stakeholders to discuss and monitor case status and estimated recoveries available to stakeholders. Applicant also met with Defined Benefit Pension Plan specialists to determine options available to the Plan after the potential confirmation of a Plan of Liquidation for the Debtors. These options include termination of the Plan with a conversion to individual annuities covering Plan Participants, obtaining a new Plan Sponsor, or determining a path that would allow the Plan to continue under the current Sponsor, Mercy Hospital, with a new Plan administrator.

See detail of Hours and Fees incurred at **Exhibit B-1**.

**Data/Financial Analysis** **18.40 Hours**

- Prepared a detailed analyses of Plan funding required to provide benefit payments to Plan Participants, under various projected benefit percentages.
- Analyzed the Debtors' various recovery analyses to the Estates' stakeholders.

See detail of Hours and Fees incurred in **Exhibit B-2**.

**Document Review** **2.50 Hours**

- Applicant reviewed the proposed Altera Settlement and met with Pensioner Committee Counsel regarding the same.

- Applicant reviewed various Pension Plan related documents received from the Debtors.

See detail of Hours and Fees incurred in **Exhibit B-3.**

**Travel 23.60 Hours**

- Applicant spent 23.60 hours traveling to and from IA two times during the Second Interim Compensation Period to work the Pensioners Committee counsel, the Pensioner Committee and attend Court hearings. Of the 23.60 hours incurred, Applicant has reduced the compensation sought to 21.60 hours. Travel is charged at 50% of the Applicant's hourly rate.

See detail of Hours and Fees incurred in **Exhibit B-4.**

**Case Administration 3.00 Hours**

- Applicant prepared for and attended hearings the Court hearing on January 22, 2024 (followed by meetings with the Debtor and their professionals).

See detail of Hours and Fees incurred in **Exhibit B-5.**

**Fee Application and Retention Related Matters 1.00 Hours**

- Applicant worked on finalizing its retention application and affidavit. Time related to Fee Applications and Retention Related Matters is charged at 50% of the Applicant's hourly rate.

See detail of Hours and Fees incurred in **Exhibit B-6.**



**IV. COMPLIANCE WITH GUIDELINES FOR FEES AND DISBURSEMENTS**  
**FOR PROFESSIONALS**

13. On January 30, 1996, the Executive Office for the United States Pensioners' Committees issued and adopted the United States Guidelines for Receiving Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. Sec. 330 (the "EOUST"). The EOUST Guidelines govern the preparation and filing of applications for compensation of professionals and reimbursement of expenses for all cases commenced on or after the effective date of the Bankruptcy Reform Act of 1994, October 22, 1994.
14. This Second Interim Application has been prepared in accordance both the EOUST Guidelines and the Northern District Guidelines, and a certification regarding compliance is submitted herewith.
15. This Second Interim Application is made by HBM pursuant to Sections 330 and 331 of the Bankruptcy Code for an allowance and award of compensation for services rendered in the amount of \$30,804.00 and reimbursement of expenses incurred in the amount of \$3,709.45. Applicant requests approval for payment of 80% of the Fees sought totaling \$24,643.20 and 100% of the Expenses sought totaling \$3,709.45. Applicant will seek approval of the 20% Holdback upon final application to the Court.
16. All of the services for which allowance of compensation is sought were rendered at the direction of the Pensioners' Committee for the benefit of the Plan Participants and the Debtors' Estates in connection with this case and not on behalf of any other person or party-in-interest.

17. The services rendered by HBM during the Second Interim Compensation Period for Services Provided to the Pensioners' Committee required an aggregate expenditure of 73.70 hours of professional time in the performance of services rendered on behalf of the Debtors **(See Exhibits B and C)**.
18. HBM also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of professional services. HBM incurred actual and necessary out-of-pocket expenses properly posted to this matter during the Second Interim Compensation Period for Services Provided to the Pensioners' Committee in the aggregate sum of \$3,709.45 **(See Exhibit D)**.
19. Applicant charges its non-bankruptcy clients for similar services performed by all such professionals and paraprofessionals at the same rates listed in the summary submitted herewith.
20. No agreement or understanding exists between HBM and any other entity for the sharing of compensation to be received for services rendered in or in connection with this case.

#### **V. FINANCIAL STATUS OF THE CASE**

21. As of March 31, 2024, the Debtor had approximately \$48 Million of cash on hand.

#### **VI. EVALUATION OF THE FAIR AND REASONABLE VALUE OF APPLICANT'S SERVICES**

22. Section 330 of the Bankruptcy Code provides the statutory authority for compensating the services and reimbursing the expenses of professionals of the courts. Section 330

(a)(1) provides for reasonable compensation for actual, necessary services rendered.

Section 330 (a)(3) states that the amount of such compensation is to be based on the nature, extent and value of the services, taking into account relevant factors including, without limitation, the time spent rendering the services, the necessity or benefit of the services, and the cost of comparable services other than in bankruptcy cases. Section 330(a) (4)(A) sets forth various services for which the court may not allow compensation, including (among) other services not reasonably likely to benefit the Estate. The relevant portion of section 330 (a) of the Bankruptcy Code is as follows:

(3) (A) in determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including:

- (i) The time spent on such services;
- (ii) The rates charged for such services;
- (iii) Whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion, of a case under this title;
- (iv) Whether the services were performed within a reasonable amount of time commensurate with the complexity and nature of the problem, issue, or task addressed; and
- (v) Whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than a case under this title.

(4) (A) Except as provided in subparagraph (B), the court shall not allow compensation for:

(vi) Unnecessary duplication of services; or

(vii) Services that were not:

i. Reasonably likely to benefit the debtors' estate; or

ii. Necessary to the administration of the case.

23. The Applicant was selected by the Pensioners Committee as a result of its extensive experience in: (a) serving as Financial Advisor for the Debtors, Chief Restructuring Officer and Accountant for the Official Committee of Unsecured Creditor and other Parties in Interest involved in numerous bankruptcy cases, (b) bankruptcy and reorganization consulting, (c) fraud auditing and investigation and forensic accounting matters, (d) valuation of businesses and assets, (e) the litigation and dispute resolution process, and (f) sales of businesses, property and other assets.

24. The rates charged by the Applicant are competitive with those of other similarly situated firms. Applicant's billing rates have been found to be reasonable in other bankruptcy cases where Applicant has submitted applications for compensation.

25. The professional services performed by the Applicant and the resulting benefit to the Estate and the Pension Committee during the Second Interim Compensation Period justify the second allowance for compensation in the amount requested. In view of the policy underlying sections 330 and 331 of the Bankruptcy Code that professionals in bankruptcy cases be compensated on a parity with professionals practicing in other fields, the Second Interim allowance for compensation should be awarded as requested. The Applicant submits that the fees and expenses sought herein are not unusual to the

awards it has received in other Chapter 11 cases and in other commercial cases serviced by the Applicant.

26. As is demonstrated above, an application of the foregoing criteria more than justifies the compensation requested by HBM at this time.

27. HBM respectfully submits that the professional services rendered to the Pensioners' Committee during the Second Interim Compensation Period were reasonable and necessary, and conferred a substantial benefit on the Estate and its creditors. HBM believes that allowance in full of the compensation for services and reimbursement of expenses requested herein is fair, reasonable, appropriate and fully justified.

WHEREFORE, HBM respectfully requests that this Court enter an order:

28. The undersigned represents to the Court that services and expense advancements provided during the Second Interim Compensation Period were ordinary and necessary for a case of the nature and complexity of the case and no work was excessive or detrimental to the estate.
29. Applicant requests that the Court approve the allowance requested in this Second Interim Application and authorize the Debtors to pay said allowance from available funds on-hand.
30. WHEREFORE, Applicant requests that the Court, pursuant to 11 U.S.C. Section 331, enter appropriate orders awarding compensation for services rendered, subject to a 20% holdback and 100% of expenses advanced, aggregating \$28,352.65 for the Second Interim Compensation Period and authorize the Debtors to pay that amount.

/s/ Marc B. Ross

Managing Director

HBM Management Associates, LLC

6 Elmwood Lane

Syosset, NY 11791

PHONE: (732) 921-0921

FAX: (646) 861-4935

FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF PENSIONERS

**EXHIBIT A**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF IOWA**

IN RE:	Chapter 11
MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i> ,	Case No. 23-00623 (TJC)
Debtors.	Jointly Administered
	<b>APPLICATION TO EMPLOY HBM MANAGEMENT ASSOCIATES, LLC AS FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE OF PENSIONERS</b>

The Official Committee of Pensioners (the “Pensioners Committee”) of the above captioned debtors and debtors-in-possession (the “Debtors”) submits this application (the “Application”) for entry of an order authorizing the Pensioners Committee to retain and employ HBM Management Associates, LLC (“HBM”) as its financial advisor, effective as of November 21, 2023, pursuant to 11 U.S.C. § 1103 (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of the Application, the Pensioners Committee respectfully represents as follows:

1. On August 7, 2023, (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Northern District of Iowa (the “Court”) commencing these bankruptcy cases.
2. On October 18, 2023, counsel for the Mercy Pensioners Ad-Hoc Committee filed a Motion to Establish an Official Committee of Pensioners Under 11 U.S.C. § 1102 (a)(2) (**Doc. 385**). A hearing on the Motion was held October 27, 2023, and said Motion was granted November 3, 2023 (**Doc. 451**).
3. Section 1103(a) of the Bankruptcy Code provides that:



At a scheduled meeting of the committee appointed under section 1102 of this title, at which a majority of the members of such committee are present, and with the court's approval, such committee may select and authorize the employment by such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee. 11 U.S.C. § 1103(a).

4. The Pensioners Committee requests the engagement of financial advisor HBM to render the following Services:

- a) Assessment of the Mercy Hospital Employees' Pension Plan, (the "Pension Plan") including but not limited to current funded status, status of the Pension Plan and assessing options available to the Plan's Participants (the "Pensioners") as a result of the Debtor's bankruptcy filing;
- b) Work with the Pensioners Committee (The "Client"), their Attorneys, and other professionals as necessary to assess causes of action available to the Client;
- c) Assess the Debtors' and other Parties' proposed Bankruptcy Plan treatment of the Pensioners' claims;
- d) Work with the Client, their Attorneys, and other professionals as necessary to determine the options available to the Pensioners including the costs to continue administering the Pension Plan;
- e) Analyze the Plan's historical performance, Statements of Net Assets Available for Benefits and Statements of Changes in Net Assets Available for Benefits; and work with Plan professionals to update the Plan's Financial Statements through the Debtors' proposed Plan Confirmation Date;
- f) Other services as required and agreed upon with the Debtors.

5. Marc Ross, ("Ross"), a managing director of HBM shall be the primary HBM personnel on this engagement. Ross has over 25 years of experience as an advisor, bankruptcy and turnaround specialist, crisis manager, forensic accountant, and auditor. He specializes in assuming hands-on management roles or providing consulting assistance to troubled or under-performing companies. Ross has provided clients with interim management services including roles as a CRO and interim CEO, CFO and COO, operational and financial consulting, advising Debtors and Creditors' committees, providing litigation consulting and performing forensic investigations. Ross holds a Bachelor of Science in Management from Tulane University and practiced as a Certified Public Accountant (CPA) and a Certified Insolvency and Restructuring Advisor (CIRA). He won, along with a team of

professionals, the Turnaround Management Association's Turnaround of the Year Award for work on Agriprocessors, Inc.

6. Ross will be assisted by Harry Malinowski ("Malinowski"), a managing director of HBM, as required. The Client shall retain HBM at the following hourly rates: Ross, \$510; Malinowski, \$510. HBM's rates are subject to adjustment each year. Other professionals may be provided by HBM at hourly rates to be determined, to assist Ross, however such professionals shall only be utilized by Ross with prior written approval of the Pensioners Committee.
7. Notwithstanding the above rates (with respect to services performed by Ross and Malinowski only), professional fees shall not exceed \$17,000 per week. It is anticipated that the Debtors will be responsible for payment of HBM's fees, upon approval by the Court of HBM's fee applications. In addition, the Debtors will reimburse HBM for all reasonable out-of-pocket expenses (including reasonable travel and lodging costs).
8. Upon approval of HBM's retention by the Court, the Debtors shall provide HBM with a \$25,000 retainer (the "Retainer") to be held on deposit by HBM until this engagement has concluded. Any unused portion of the Retainer shall be returned to the Debtors after applying any final Court-approved outstanding amounts due to HBM.
9. To the best of the Pensioners Committee's knowledge and as evidenced by the Declaration attached hereto as Exhibit "A", Ross and HBM have no connection with the United States Trustee, or any other person employed in the Office of the United States Trustee, or the Bankruptcy Judge in these cases, do not hold any interest adverse to the Debtors and are a "disinterested" person under the Bankruptcy Code.

10. For the reasons set forth herein, the Pensioners Committee submits that, pursuant to Bankruptcy Code section 1103(a) and Bankruptcy Rule 2014(a), HBM should be employed as the Pensioners Committee's financial advisor in these bankruptcy cases.

11. The Pensioners Committee requests approval of the retention and employment of HBM effective as of November 21, 2023, the date the Motion to Establish Official Committee of Pensioners was granted by this Court.

**WHEREFORE**, the Committee respectfully requests that this Court enter the Order, granting the relief requested herein, and granting such other and further relief as the Court may deem just and proper.

Dated: January 15, 2024

Respectfully submitted,  
DAY RETTIG MARTIN, P.C.

/s/ Paula L. Roby

Paula L. Roby AT0006749

Telephone: (319) 365-0437

Facsimile: (319) 365-5866

E-mail: paula@drpjlaw.com

*Attorney for The Official Committee of Pensioners  
of Mercy Hospital, Iowa City, Iowa, et al.*

### **Certificate of Service**

The undersigned certifies, under penalty of perjury, that on this January 15, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case.

/s/ Julie G. Quist

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF IOWA

IN RE:

MERCY HOSPITAL, IOWA CITY, IOWA,  
*et al.*,

Debtors.

Chapter 11

Case No. 23-00623 (TJC)

Jointly Administered

**DECLARATION OF MARC ROSS IN  
SUPPORT OF APPLICATION TO  
EMPLOY HBM MANAGEMENT  
ASSOCIATES, LLC AS FINANCIAL  
ADVISOR FOR THE OFFICIAL  
COMMITTEE OF PENSIONERS**

I, Marc Ross, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a managing director of HBM Management Associates, LLC ("HBM") which is located at 6 Elmwood Lane, Syosset, NY 11791. I am familiar with the matters set forth herein and make this declaration on behalf of HBM and myself in support of the application of the Official Committee of Pensioners (the "Pensioners Committee") in the above-captioned case, for authority to retain HBM as its financial advisor.

2. I hold a Bachelor of Science in Management from Tulane University and have practiced as a Certified Public Accountant (CPA) and a Certified Insolvency and Restructuring Advisor (CIRA). I have over 25 years of experience as an advisor, bankruptcy and turnaround specialist, crisis manager, forensic accountant, and auditor. I have provided clients with operational and financial consulting, advised Debtors and Creditors' committees, provided litigation consulting, and performed forensic investigations. Along with a team of professionals, we won the Turnaround Management Association's Turnaround of the Year Award for work on Agriprocessors, Inc.

3. To the best of my actual knowledge, neither HBM, nor any employee of HBM, has any connection with the above-named Debtors, their creditors, or any other party of interest herein other than Pensioners Committee with whom we have had discussions prior to this application.

4. I am not a manager or owner of, nor am I related to the manager(s) or owner(s) of the Debtors Mercy Hospital, Iowa City, IA; Mercy Services Iowa City, Inc; nor Mercy Iowa City ACO, LLC.

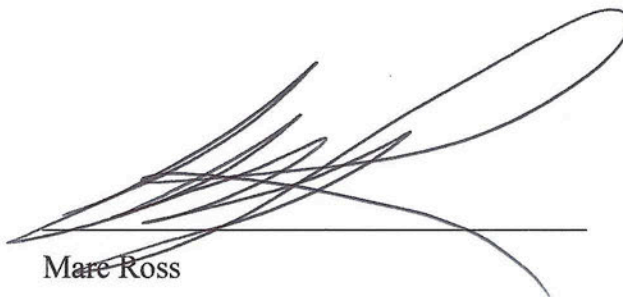
5. To the best of my knowledge, I do not have any connection with the United States Trustee for Region 12, or any person employed by the Office of the United States Trustee.

6. I am not "related" to the presiding Bankruptcy Judge in this case.

7. I do not represent any entity with an interest contrary to the interests of the Official Committee of Pensioners.

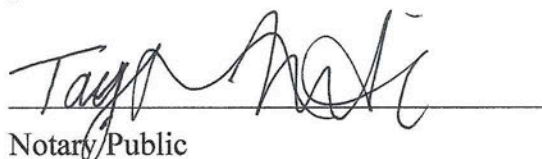
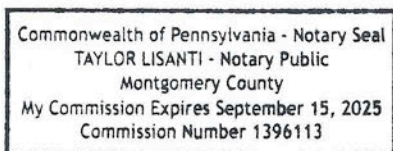
8. I will make an appropriate application to this Court for compensation and reimbursement of expenses as required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Iowa.

Dated this 12th day of January 2024.



Marc Ross

Sworn to and subscribe before me by Marc Ross, a managing director of HBM Management Associates, LLC, on this 12th day of January 2024.



Notary Public

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF IOWA


IN RE:	Chapter 11
MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i> ,	Case No. 23-00623 (TJC)
Debtors.	Jointly Administered
	<b>ORDER GRANTING APPLICATION TO EMPLOY HBM MANAGEMENT ASSOCIATES, LLC AS FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE OF PENSIONERS</b>

On January 15, 2024, the Official Committee of Pensioners, by and through their attorney filed (**Doc. 642**) Application to Employ HBM Management Associates, LLC (“HBM”) as Financial Advisor for the Official Committee of Pensioners (“Application”).

The Court, having reviewed the Application, finds good and sufficient cause to grant the same pursuant to 11 U.S.C. § 1103(a) and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure.

**THEREFORE, IT IS ORDERED** that the Application is granted, effective as of November 21, 2023. The Official Committee of Pensioners shall be entitled to employ HBM as its Financial Advisor on the terms set forth in the Application, HBM shall apply for compensation in accordance with U.S.C. §§ 330 and 331, and the Debtors are authorized to pay HBM post-petition fees and expenses as subsequently approved by the Court.

Dated and Entered:  
January 18, 2024

  
\_\_\_\_\_  
United States Bankruptcy Judge  
For the Northern District of Iowa

Order prepared by:  
Paula L. Roby AT0006749  
Day Rettig Martin, P.C.  
ATTORNEY FOR THE OFFICIAL  
COMMITTEE OF PENSIONERS

**EXHIBIT B**

Mercy Hospital Iowa City, Iowa, et. al.  
Detailed Time Incurred by Professional - January 1, 2024 - January 28, 2024

USBC NDIA 23-00623 (TJC)  
Exhibit B

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed	Discount for Weekly Cap	Net Billable Fees
1/3/24	Marc Ross	Mercy - Correspondence with J Porter and K Borodkin re cash flow and meeting (.3)	Meetings/Teleconference with Professionals and Parties in Interest	0.30	\$ 510.00	153.00		
1/4/24	Marc Ross	Mercy - Prep for and attend weekly meeting (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	1.00	\$ 510.00	510.00		
1/7/24	Marc Ross			-	\$ 510.00	-	-	663.00
1/8/24	Marc Ross	Mercy - Prep for and participate in call with committees and Debtor re waterfall (1.5); call with PL Roby re same (.4); review correspondence from committee members (.3)	Meetings/Teleconference with Professionals and Parties in Interest	2.20	\$ 510.00	1,122.00		
1/9/24	Marc Ross		Meetings/Teleconference with Professionals and Parties in Interest	0.30	\$ 510.00	153.00		
1/10/24	Marc Ross	Mercy - Prep for and participate in Call with PL Roby and committee (1.3); followup with PL Roby (.3)	Meetings/Teleconference with Professionals and Parties in Interest	1.60	\$ 510.00	816.00		
1/11/24	Marc Ross	Mercy - Attend Committee Debtor weekly meetings (.9)	Meetings/Teleconference with Professionals and Parties in Interest	0.90	\$ 510.00	459.00		
1/12/24	Marc Ross	Mercy - Review Employment App and Declaration (.8)	Fee Application and Retention Related Matters	0.80	\$ 255.00	204.00		
1/12/24	Marc Ross		Meetings/Teleconference with Professionals and Parties in Interest	0.60	\$ 510.00	306.00		
1/12/24	Harry Malinowski	Mercy - Call with H Malinowski and S Greenbaum re Plan conversion options (.6)	Meetings/Teleconference with Professionals and Parties in Interest	0.60	\$ 510.00	306.00		
1/12/24	Marc Ross	Call with Steve Greenbaum (Altigro) re: alternatives for Plan post closing.	Meetings/Teleconference with Professionals and Parties in Interest	0.60	\$ 510.00	306.00		
1/12/24	Marc Ross	Mercy - Review Debtor Data filings and Bondholder Analysis (.5); Mercy - Correspondence with Debtor re data requests (.2)	Data/Financial Analysis	0.70	\$ 510.00	357.00		
1/14/24	Marc Ross	Mercy - Review waterfall and prep for call with professionals (1.7)	Data/Financial Analysis	1.70	\$ 510.00	867.00	-	4 590.00
1/15/24	Marc Ross		Meetings/Teleconference with Professionals and Parties in Interest	1.50	\$ 510.00	765.00		
1/15/24	Marc Ross	Mercy - Call with PL Roby re: Waterfall and planning (.5); Mercy - participate in conference call with Debtor re: Waterfall (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	1.50	\$ 510.00	765.00		
1/15/24	Marc Ross		Data/Financial Analysis	2.10	\$ 510.00	1,071.00		
1/15/24	Marc Ross	Mercy - Attention to retention affidavit (.2);	Fee Application and Retention Related Matters	0.20	\$ 255.00	51.00		
1/16/24	Marc Ross	Mercy - meet with PL Roby re Plan and next steps (2.6); call with Committee members (1.3); meet with all FA re waterfall (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	4.90	\$ 510.00	2,499.00		
1/16/24	Marc Ross	Mercy - Attention to Pension Plan recovery analysis; review waterfall (.3.3)	Data/Financial Analysis	3.30	\$ 510.00	1,683.00		
1/16/24	Marc Ross	Mercy - Travel to IA	Travel	5.00	\$ 255.00	1,275.00		
1/17/24	Marc Ross	Mercy - correspondence with Debtor (.8) Review pension data received from Debtor and work on Pension recovery analysis (5.0)	Data/Financial Analysis	5.80	\$ 510.00	2,958.00		
1/17/24	Marc Ross	Mercy - meet with Roby and Debtor counsel re Plan and review draft Bondholder Plan (3.8)	Meetings/Teleconference with Professionals and Parties in Interest	3.80	\$ 510.00	1,938.00		
1/18/24	Marc Ross		Meetings/Teleconference with Professionals and Parties in Interest	1.00	\$ 510.00	510.00		
1/18/24	Marc Ross	Mercy - call with Bondholders re Plan (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	1.00	\$ 510.00	510.00		
1/18/24	Marc Ross	Mercy - travel from IA to PA (7.0)	Travel	7.00	\$ 255.00	1,785.00		
1/19/24	Marc Ross	Mercy - Prep for and participate in call with PL Roby and Bondholder Professionals re proposed plan and hearing on Monday (1.1); correspondence with Debtors (.3); call with HM re status (.3)	Meetings/Teleconference with Professionals and Parties in Interest	1.70	\$ 510.00	867.00		
1/21/24	Marc Ross		Travel	7.00	\$ 182.14	1,275.00	-	16 677.00
1/21/24	Marc Ross	Mercy - Travel to IA (7.0) (2 NC)	Travel	7.00	\$ 182.14	1,275.00	-	16 677.00
1/21/24	Marc Ross	Mercy - call with PL Roby re Plan and and Altera Settlement (.3); Review Altera Settlement and correspondence re same (.5)	Document Review	0.80	\$ 510.00	408.00		
1/21/24	Marc Ross	Mercy - Work on Pension Plan Recovery analysis (1.9)	Data/Financial Analysis	1.90	\$ 510.00	969.00		
1/22/24	Marc Ross	Mercy - Prep for and Attend hearing (3.0);	Case Administration	3.00	\$ 510.00	1,530.00		
1/22/24	Marc Ross	Mercy - Meeting with Parties in Interest (1.9); Meeting w PL Roby re Plan (2.9)	Meetings/Teleconference with Professionals and Parties in Interest	4.80	\$ 510.00	2,448.00		
1/22/24	Marc Ross	Mercy - Review Plan recovery analysis with PL Roby (1.2)	Data/Financial Analysis	1.20	\$ 510.00	612.00		
1/23/24	Marc Ross	Mercy - Correspondence with Debtor re items requested and review docs (1.70)	Document Review	1.70	\$ 510.00	867.00		
1/23/24	Marc Ross		Travel	4.60	\$ 255.00	1,173.00		
1/25/24	Marc Ross	Mercy - work on census and correspondence with Debtor and PL Roby re same (1.7)	Data/Financial Analysis	1.70	\$ 510.00	867.00		
1/28/24	Marc Ross			-	\$ 510.00	-	-	8,874.00
		<b>Total Fees Incurred</b>		<b>73.70</b>	<b>\$ 417.96</b>	<b>30,804.00</b>	<b>-</b>	<b>30,804.00</b>



**EXHIBITS B-1 through B-6**

**Mercy Hospital Iowa City, Iowa, et. al.**

**USBC NDIA 23-00623 (TJC)**

**Detailed Time incurred by Project Code - January 1, 2024 - January 28, 2024**

**Exhibit B-1**

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed
1/3/24	Marc Ross	Mercy - Correspondence with J Porter and K Borodkin re cash flow and meeting (.3)	Meetings/Teleconference with Professionals and Parties in Interest	0.30	\$ 510.00	153.00
1/4/24	Marc Ross	Mercy - Prep for and attend weekly meeting (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	1.00	\$ 510.00	510.00
1/8/24	Marc Ross	Mercy - Prep for and participate in call with committees and Debtor re waterfall (1.5); call with PL Roby re same (.4); review correspondence from committee members (.3)	Meetings/Teleconference with Professionals and Parties in Interest	2.20	\$ 510.00	1,122.00
1/9/24	Marc Ross	Mercy - Correspondence with PL Roby (.3)	Meetings/Teleconference with Professionals and Parties in Interest	0.30	\$ 510.00	153.00
1/10/24	Marc Ross	Mercy - Prep for and participate in Call with PL Roby and committee (1.3); followup with PL Roby (.3)	Meetings/Teleconference with Professionals and Parties in Interest	1.60	\$ 510.00	816.00
1/11/24	Marc Ross	Mercy - Attend Committee Debtor weekly meetings (.9)	Meetings/Teleconference with Professionals and Parties in Interest	0.90	\$ 510.00	459.00
1/12/24	Harry Malinowski	Call with Steve Greenbaum (Altigro) re: alternatives for Plan post closing.	Meetings/Teleconference with Professionals and Parties in Interest	0.60	\$ 510.00	306.00
1/12/24	Marc Ross	Mercy - Call with H Malinowski and S Greenbaum re Plan conversion options (.6)	Meetings/Teleconference with Professionals and Parties in Interest	0.60	\$ 510.00	306.00
1/15/24	Marc Ross	Mercy - Call with PL Roby re: Waterfall and planning (.5); Mercy - participate in conference call with Debtor re: Waterfall (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	1.50	\$ 510.00	765.00
1/16/24	Marc Ross	Mercy - meet with PL Roby re Plan and next steps (2.6); call with Committee members (1.3); meet with all FA re waterfall (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	4.90	\$ 510.00	2,499.00
1/17/24	Marc Ross	Mercy - meet with Roby and Debtor counsel re Plan and review draft Bondholder Plan (3.8)	Meetings/Teleconference with Professionals and Parties in Interest	3.80	\$ 510.00	1,938.00
1/18/24	Marc Ross	Mercy - call with Bondholders re Plan (1.0)	Meetings/Teleconference with Professionals and Parties in Interest	1.00	\$ 510.00	510.00
1/19/24	Marc Ross	Mercy - Prep for and participate in call with PL Roby and Bondholder Professionals re proposed plan and hearing on Monday (1.1); correspondence with Debtors (.3); call with HM re status (.3)	Meetings/Teleconference with Professionals and Parties in Interest	1.70	\$ 510.00	867.00
1/22/24	Marc Ross	Mercy - Meeting with Parties in Interest (1.9); Meeting w PL Roby re Plan (2.9)	Meetings/Teleconference with Professionals and Parties in Interest	4.80	\$ 510.00	2,448.00

**25.20 \$ 510.00 \$ 12,852.00**

**Mercy Hospital Iowa City, Iowa, et. al.**

**USBC NDIA 23-00623 (TJC)**

**Detailed Time incurred by Project Code - January 1, 2024 - January 28, 2024**

**Exhibit B-2**

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed
1/12/24	Marc Ross	Mercy - Review Debtor Data filings and Bondholder Analysis (.5); Mercy - Correspondence with Debtor re data requests (.2)	Data/Financial Analysis	0.70	\$ 510.00	\$ 357.00
1/14/24	Marc Ross	Mercy - Review waterfall and prep for call with professionals (1.7)	Data/Financial Analysis	1.70	\$ 510.00	867.00
1/15/24	Marc Ross	Mercy - Review Debtor Waterfall Analysis (2.1)	Data/Financial Analysis	2.10	\$ 510.00	1,071.00
1/16/24	Marc Ross	Mercy - Attention to Pension Plan recovery analysis; review waterfall (3.3)	Data/Financial Analysis	3.30	\$ 510.00	1,683.00
1/17/24	Marc Ross	Mercy - correspondence with Debtor (.8) Review pension data received from Debtor and work on Pension recovery analysis (5.0)	Data/Financial Analysis	5.80	\$ 510.00	2,958.00
1/21/24	Marc Ross	Mercy - Work on Pension Plan Recovery analysis (1.9)	Data/Financial Analysis	1.90	\$ 510.00	969.00
1/22/24	Marc Ross	Mercy - Review Plan recovery analysis with PL Roby (1.2)	Data/Financial Analysis	1.20	\$ 510.00	612.00
1/25/24	Marc Ross	Mercy - work on census and correspondence with Debtor and PL Roby re same (1.7)	Data/Financial Analysis	1.70	\$ 510.00	867.00
				<b>18.40</b>	<b>\$ 510.00</b>	<b>\$ 9,384.00</b>

**Mercy Hospital Iowa City, Iowa, et. al.**

**USBC NDIA 23-00623 (TJC)**

**Detailed Time incurred by Project Code - January 1, 2024 - January 28, 2024**

**Exhibit B-3**

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed
1/21/24	Marc Ross	Mercy - call with PL Roby re Plan and and Altera Settlement (.3); Review Altera Settlement and correspondence re same (.5)	Document Review	0.80	\$ 510.00	408.00
1/23/24	Marc Ross	Mercy - Correspondence with Debtor re items requested and review docs (1.70)	Document Review	1.70	\$ 510.00	867.00
				<b>2.50</b>	<b>\$ 510.00</b>	<b>\$ 1,275.00</b>

**Mercy Hospital Iowa City, Iowa, et. al.**

**USBC NDIA 23-00623 (TJC)**

**Detailed Time incurred by Project Code - January 1, 2024 - January 28, 2024**

**Exhibit B-4**

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed
1/16/24	Marc Ross	Mercy - Travel to IA	Travel	5.00	\$ 255.00	1,275.00
1/18/24	Marc Ross	Mercy - travel from IA to PA (7.0)	Travel	7.00	\$ 255.00	1,785.00
1/21/24	Marc Ross	Mercy - Travel to IA (7.0) (2 NC)	Travel	7.00	\$ 182.14	1,275.00
1/23/24	Marc Ross	Travel to PA (4.6)	Travel	4.60	\$ 255.00	1,173.00

**23.60 \$ 233.39 \$ 5,508.00**

**Mercy Hospital Iowa City, Iowa, et. al.**

**USBC NDIA 23-00623 (TJC)**

**Detailed Time incurred by Project Code - January 1, 2024 - January 28, 2024**

**Exhibit B-5**

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed
1/22/24	Marc Ross	Mercy - Prep for and Attend hearing (3.0);	Case Administration	3.00	\$ 510.00	\$ 1,530.00
				<b>3.00</b>	<b>\$ 510.00</b>	<b>\$ 1,530.00</b>

**Mercy Hospital Iowa City, Iowa, et. al.**

**USBC NDIA 23-00623 (TJC)**

**Detailed Time incurred by Project Code - January 1, 2024 - January 28, 2024**

**Exhibit B-6**

Date	Timekeeper	Task	Project Category Reference Code	Time	Rate	Billed
1/12/24	Marc Ross	Mercy - Review Employment App and Declaration (.8)	Fee Application and Retention Related Matters	0.80	\$ 255.00	204.00
1/15/24	Marc Ross	Mercy - Attention to retention affidavit (.2);	Fee Application and Retention Related Matters	0.20	\$ 255.00	51.00

**1.00 \$ 255.00 \$ 255.00**

**EXHIBIT C**



Mercy Hospital Iowa City, Iowa, et. al.

USBC NDIA 23-00623 (TJC)

Summary Time by Project Code

Exhibit C

Project Code	Column Labels				Total Sum of Time	Total Sum of Billed
	Harry Malinowski Sum of Time	Sum of Billed	Marc Ross Sum of Time	Sum of Billed		
Meetings/Teleconference with Professionals and Parties in Interest	0.60	306.00	24.60	12,546.00	25.20	12,852.00
Data/Financial Analysis			18.40	9,384.00	18.40	9,384.00
Travel			23.60	5,508.00	23.60	5,508.00
Case Administration			3.00	1,530.00	3.00	1,530.00
Document Review			2.50	1,275.00	2.50	1,275.00
Fee Application and Retention Related Matters			1.00	255.00	1.00	255.00
<b>Grand Total</b>	<b>0.60</b>	<b>306.00</b>	<b>73.10</b>	<b>30,498.00</b>	<b>73.70</b>	<b>30,804.00</b>

Less amounts subject to Fee Cap of \$17,000 per week

-

Net Billable Fees Sought

**73.70 \$ 30,804.00**

Effective Rate

**\$ 417.96**

Amounts Sought for Payment at 80%

**\$ 24,643.20**

Amounts Heldback at 20%

**\$ 6,160.80**

**EXHIBIT D**

**Mercy Hospital Iowa City, Iowa, et. al.  
Expenses Incurred**

**USBC NDIA 23-00623 (TJC)  
Exhibit D**

Expense	Date	Miles	Rate	Slip Value	Expense Type
American Airlines	1/16/24			1,008.20	Airfare
Mileage to and From PHL from Blue Bell PA	1/16/24	90	0.670	60.30	Mileage
Perkins Cedar Rapids	1/16/24			32.00	Meals
Biaggis Cedar Rapids	1/17/24			90.00	Meals
Hertz Cedar Rapids	1/18/24			318.35	Rental Car
Parking PHL	1/18/24			157.00	Parking
Residence Inn Cedar Rapids	1/18/24			274.92	Lodging
American Airlines	1/21/24			1,141.69	Airfare
Mileage to and From PHL from Blue Bell PA	1/21/24	90	0.670	60.30	Mileage
Black Sheep Cedar Rapids	1/22/24			117.50	Meals
Parking Cedar Rapids	1/22/24			7.32	Parking
Hertz Cedar Rapids	1/23/24			134.75	Rental Car
Parking PHL	1/23/24			20.00	Parking
Residence Inn Cedar Rapids	1/23/24			287.12	Lodging

**\$ 3,709.45**